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Financing of the United Nations Interim Administration Mission in Kosovo

Budget for the United Nations Interim Administration Mission in Kosovo for the period from 1 July 2004 to 30 June 2005

Report of the Secretary-General

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Summary

The present report contains the budget for the United Nations Interim Administration Mission in Kosovo (UNMIK) for the period from 1 July 2004 to 30 June 2005, which amounts to $272,210,800.

The budget provides for the deployment of 38 liaison officers, 3,055 civilian police, 973 formed police units, 910 international staff, 2,830 national staff and 250 United Nations Volunteers.

The total resource requirements for UNMIK for the financial period 1 July 2004 to 30 June 2005 have been linked to the Mission's objective through a number of results-based frameworks, grouped by components: substantive civilian, rule of law and support. The human resources of the Mission, in terms of number of personnel, have been attributed to the individual components, with the exception of executive direction and management, which can be attributed to the Mission as a whole. The financial resources for operational items have been linked to the support component by identifying quantitative outputs for expenditure classes under operational costs.

The explanations of variances in levels of resources, both human and financial, have, where applicable, been linked to specific outputs planned by the Mission.

Financial resources

(Thousands of United States dollars. Budget year is from 1 July to 30 June.)

Category	*Expenditures (2002/03)*	*Apportionment (2003/04)*	*Cost estimates (2004/05)*	*Variance*	
				Amount	*Percentage*
Military and police personnel	115 208.7	117 385.7	97 264.3	(20 121.4)	(17.1)
Civilian personnel	170 595.0	145 295.2	137 040.5	(8 254.7)	(5.7)
Operational costs	44 164.1	52 837.3	37 906.0	(14 931.3)	(28.3)
Gross requirements	**329 967.8**	**315 518.2**	**272 210.8**	**(43 307.4)**	**(13.7)**
Staff assessment income	25 082.5	19 704.4	19 731.9	27.5	0.1
Net requirements	**304 885.3**	**295 813.8**	**252 478.9**	**(43 279.9)**	**(14.6)**
Voluntary contributions in kind (budgeted)	—	—	—	—	—
Total requirements	**329 967.8**	**315 518.2**	**272 210.8**	**(43 307.4)**	**(13.7)**

Human resources

	Military liaison officers[a]	*Military contingents*[a]	*Civilian police*[a]	*Formed police units*[a]	*International staff*[b]	*National staff*[b]	*United Nations Volunteers*	*Government-provided personnel*	*Civilian electoral observers*	*Total*
Executive direction and management										
Approved 2003/04	—	—	—	—	16	5	1	—	—	**22**
Proposed 2004/05	—	—	—	—	16	5	1	—	—	**22**
Components										
Substantive civilian										
Approved 2003/04	38	—	—	—	409	376	210	—	—	**1 033**
Proposed 2004/05	38	—	—	—	311	277	218	—	—	**844**
Rule of law										
Approved 2003/04	—	—	3 400	1 203	264	1 553	32	—	—	**6 452**
Proposed 2004/05	—	—	3 055	973	243	1 404	24	—	—	**5 699**
Support										
Approved 2003/04	—	—	—	—	360	1 196	7	—	—	**1 563**
Proposed 2004/05	—	—	—	—	340	1 144	7	—	—	**1 491**
Total										
Approved 2003/04	38	—	3 400	1 203	1 049	3 130	250	—	—	**9 070**
Proposed 2004/05	38	—	3 055	973	910	2 830	250	—	—	**8 056**
Net change	—	—	**(345)**	**(230)**	**(139)**	**(300)**	—	—	—	**(1 014)**

[a] Represents highest level of authorized/proposed strength.
[b] Includes national officers and national General Service staff.

The actions to be taken by the General Assembly are set out in section IV.

I. Mandate and planned results

1. The mandate of the United Nations Interim Administration Mission in Kosovo (UNMIK) was established by Security Council resolution 1244 (1999).

2. The Mission is mandated to help the Security Council achieve an overall objective, namely, to maintain international peace and security.

3. Within this overall objective, the Mission will, during the budget period, contribute to a number of expected accomplishments by delivering related key outputs, shown in the frameworks below. These frameworks are grouped by standard components — substantive civilian, rule of law and support — which reflect, rather than determine, the common programmatic nature of the expected accomplishments and outputs contained therein.

4. The expected accomplishments would lead to the fulfilment of the Security Council's objective within the time frame of the Mission, and the indicators of achievement show a measurement of progress towards such accomplishments during the budget period. The human resources of the Mission, in terms of number of personnel, have been attributed to the individual components, with the exception of executive direction and management, which can be attributed to the Mission as a whole. The financial resources for operational items have been linked to the support component by identifying quantitative outputs for expenditure classes under operational costs. Variances from the 2003/04 budget in the number of personnel have been explained under the respective components and have been linked to the corresponding outputs in the frameworks.

5. UNMIK is headed by the Special Representative of the Secretary-General, who is the highest international civilian official in Kosovo. He enjoys the civilian executive power vested in him by the Security Council in its resolution 1244 (1999) and pursuant to the Constitutional Framework for Provisional Self-Government in Kosovo (2001). A Principal Deputy Special Representative of the Secretary-General assists the Special Representative in directing and managing the Mission and ensures a coordinated approach by the Mission's four pillars, namely Police and Justice (United Nations), Civil Administration (United Nations), Institution-building (Organization for Security and Cooperation in Europe) and Reconstruction (European Union). Each pillar is headed by a Deputy Special Representative of the Secretary-General. The Mission's headquarters is located in Pristina and supported by four regional offices, in Gnjilane, Mitrovica, Pristina and the south-west region, each headed by a regional representative. The liaison offices in Belgrade, Skopje and Tirana advise and report to the Special Representative on issues affecting UNMIK. The scope of activity of the office in Belgrade is to liaise and coordinate with Government authorities, the diplomatic community, non-governmental organizations, media and representative offices of the United Nations system. The Skopje office provides liaison with local and regional authorities for transit and delivery of goods and services to UNMIK. The liaison offices also report directly to United Nations Headquarters, providing evaluations of local political developments in their respective countries.

Executive direction and management

6. Overall Mission direction and management are to be provided by the immediate Office of the Special Representative of the Secretary-General.

Table 1
Human resources: Executive direction and management

	International staff										
	USG -ASG	*D-2 -D-1*	*P-5 -P-4*	*P-3 -P-1*	*Field Service*	*General Service*	*Security Service*	***Subtotal***	*National staff*[a]	*United Nations Volunteers*	***Total***
Office of the Special Representative of the Secretary-General/ Principal Deputy Special Representative											
Approved 2003/04	2	2	4	2	—	6	—	**16**	5	1	**22**
Proposed 2004/05	2	2	4	2	—	6	—	**16**	5	1	**22**
Net change	—	—	—	—	—	—	—	—	—	—	—

[a] Includes national officers and national General Service staff.

Component 1: Substantive civilian

Expected accomplishments	*Indicators of achievement*
1.1 Further development of the Kosovo Provisional Institutions of Self-Government (PISG), ensuring respect for minority rights	1.1.1 Fair and free elections for the Kosovo Assembly in 2004
	1.1.2 Reduction in violations of the Constitutional Framework by PISG, including the Assembly, as evidenced by the number of remedial interventions under the authority of the Special Representative of the Secretary-General, from 10 violations at the central and 6 at the municipal level in 2002/03 (based on the monitoring reports on the Assembly sessions, conduct of legislative activities, and the Special Representative's interventions at the recommendation of municipal representatives)
	1.1.3 Progressively increased representation of minorities to reach the representation target in all public services as stipulated in Regulation 2001/36 on Kosovo civil service and the Special Representative's recommendation of 19 June 2002 on the establishment of proportional community representation in the Kosovo civil service
	1.1.4 All 30 municipalities functioning effectively in areas transferred in accordance with the Constitutional Framework and achieving targets in fair-share financing and other minority-related obligations; boards of directors selected, committees established and functioning, budgets approved and disbursed

1.1.5 Compliance by PISG and political parties with legislation on financial management, on procurement and on political parties and procedures in respect of their expenditures, funding, accountability and increased transparency, as evidenced by annual financial reports and auditing arrangements

Outputs

- Promulgated UNMIK regulation, adopted subsidiary instruments (administrative directions) and electoral rules, thereby putting in place the legislative framework for the conduct of the 2004 Kosovo Assembly elections
- Supported through the provision of expert advice and advocacy the operations of 10 transferred ministries and the Office of the Prime Minister, intervening to ensure compliance with Security Council resolution 1244 (1999), the Constitutional Framework and applicable law, and monitored them through regular meetings with senior staff, attendance at policy meetings, and weekly, monthly and special reporting
- Participated in the Steering Board on Public Administration (chaired by the Prime Minister) for policy-setting and strategic management of public administration, which led to the adoption of five core regulations concerning government procedures and functioning
- Executed non-transferable governance functions relating to civil registration, issuance of travel documents, settlement of property claims, cross-border operations and increased participation of Kosovars in the management of these functions, through hiring and training co-directors and co-managers and joint decision-making
- Developed in coordination with PISG the "Standards for Kosovo", conducted regular reviews of the progress achieved and intervened when necessary
- Trained the majority of 120 Kosovo Assembly and 930 municipal assembly members and approximately 300 civil servants in the Kosovo Assembly and PISG at the central and municipal levels in various aspects of the legislative and executive functions of their work
- Contributed to the dismantlement of the "parallel structures" supported by Belgrade for the delivery of civic services in Kosovo in the areas of education and health, among others, by advising on and advocating greater PISG commitment to minority education and health through better recruitment and remuneration of staff, revised curricula and the provision of education and health infrastructure
- Attended approximately 360 municipal assembly meetings, approximately 1,050 municipal committee meetings and approximately 1,400 board of director meetings to monitor progress and to guide and intervene as necessary to ensure good governance, particularly in relation to functions reserved under chapter 8 of the Constitutional Framework
- Kosovo Protection Corps (KPC) mandate as a civil emergency force fully enforced
- Promulgated and enforced affirmative action plans for minorities, women and vulnerable groups
- Launched an anti-corruption campaign based on the findings of 14 external audits of five major publicly owned enterprises
- Coordinated the implementation of decentralization in municipal sub-units as per a Council of Europe recommendation

- Reviewed and aligned all PISG-proposed laws on competencies transferred under the Constitutional Framework in accordance with European and international standards and promulgated legislation thereafter
- Prepared and promulgated legislation on competencies reserved for the Special Representative under the Constitutional Framework
- Established the Independent Media Commission
- Conducted various media campaigns by means of brochures, leaflets, posters and billboards to build public support for issues such as privatization, elections, standards implementation, dialogue with Belgrade, returns, economy, organized crime and multi-ethnicity
- Published the bimonthly magazine *Focus Kosovo* and the biweekly newsletter *Danas i Sutra*, covering issues such as privatization, standards implementation, elections, dialogue with Belgrade, returns and organized crime. *Focus Kosovo* is the flagship publication (15,000 copies per issue in three languages), targeting an influential audience of politicians, professionals in all resident and internally displaced person communities and a select international readership with an interest in Kosovo affairs (United Nations Headquarters in New York, contributing Governments, the European Union, the North Atlantic Treaty Organization (NATO) etc.). *Danas i Sutra* (15,000 copies per issue) is aimed at minority communities with little access to the main media (Albanian language) in Kosovo, as well as to communities of internally displaced persons in Serbia and Montenegro

Expected accomplishments	*Indicators of achievement*
1.2 Enhanced protection of minority rights, including freedom of movement and the right to return	1.2.1 Decrease in the number of violent incidents of which members of minority communities are victims and increase in arrests and successful prosecutions for such crimes compared with 2003 levels, on the basis of UNMIK Police statistics
	1.2.2 Expanded minority access to reconstruction assistance, social and public services and utilities to better meet their sustainability needs and ensure that such access is available at a level equal to that of majority Albanian communities, as measured in the quarterly municipal assessments
	1.2.3 Expanded role of Kosovo authorities and civil society in supporting the returns process, as measured in detail through the use of the quarterly municipal assessments
	1.2.4 Increased number of those desiring to return being able to do so sustainably and in dignity
	1.2.5 Secure PISG support for at least 7 million euros in Kosovo consolidated budget funding for returns projects endorsed by Municipal Working Groups and for spontaneous returns

Outputs

- Guided and facilitated broader involvement of local authorities in returns-based activities supported by UNMIK, the evaluation of returns projects, meetings with representatives of internally displaced persons and other core activities of the Municipal Working Groups on returns, so as to foster their playing a leadership role in the process
- Sponsored annual donor conferences, biannual donor briefings and donor visits to return sites to secure international donor funding for returns projects and spontaneous returnees
- Held regular meetings with the Prime Minister, the Minister of Finance and Economy and other key PISG leaders to ensure greater general support for the returns process, and in particular funding levels higher than those made available in 2003 for returns projects and individual/spontaneous returns
- Facilitated successful implementation of sustainable returns projects endorsed by Municipal Working Groups
- Developed mechanisms to improve information dissemination and engagement of internally displaced persons in the returns process, including assisting representatives of internally displaced persons to travel from areas of displacement to Kosovo to participate in Municipal Working Group meetings in the 29 municipalities where they take place
- Resolved 75 per cent of housing property claims and set up an effective mechanism for resolution of claims for agricultural property
- Liaised with municipal governments and assisted them in the establishment of functioning Communities and Mediation Committees in 27 of 30 municipalities as locally based mediation and problem-solving mechanisms
- Staffed and developed operational work plans for municipal community offices in 24 out of 30 municipalities to help integrate these offices into the work of the municipal structures and to further the possibility of their eventual handover to local government management
- Worked with PISG to establish PISG oversight mechanisms to address systemic human rights violations, including the implementation of the Omnibus Anti-Discrimination Law and its implementation mechanisms
- Achieved fair-share distribution of municipal resources to minority communities in all three municipal Kosovo consolidated budget lines (health, education and municipal administration) in 27 out of 30 municipalities
- Engaged senior-level PISG representatives at central and municipal levels in ongoing dialogue activities, meetings, strategic planning, visits to return sites and endorsement of returns projects to increase their capacity to support returns and minority rights
- Conducted public information and tolerance-building campaigns throughout Kosovo, supported by Kosovo-wide billboard campaigns, radio and television public service announcements and interviews. Produced regular radio and television programmes addressing minority rights and returns issues

Expected accomplishments	*Indicators of achievement*
1.3 Progress towards regular direct dialogue between Pristina and Belgrade officials	1.3.1 Regular and productive contacts between PISG and Belgrade counterparts at various levels
	1.3.2 Conclusions of the Chairpersons of the Working Groups on Direct Dialogue agreed by both the Belgrade and the Pristina delegations
	1.3.3 Support and commitment for direct dialogue from Kosovo Albanian and Kosovo Serb political leaders and population, as evidenced by public statements in support of the direct dialogue process and participation in the Working Groups

Outputs

- Facilitated monthly meetings between PISG representatives and the Belgrade Government
- Signed a variety of technical agreements on, inter alia, recognition of Kosovo vehicle licence plates, return of civil and cadastral documentation to Kosovo, cultural archives and artifacts
- Devised and implemented a Kosovo-wide public information campaign in local media in support of direct dialogue, through print and audio-visual media, supported by campaigns at the municipal level

Expected accomplishments	*Indicators of achievement*
1.4 Cooperation with regional partners and international organizations	1.4.1 Concluded and successfully implemented agreements on, inter alia, recognition of UNMIK travel documents, vehicle licence plates and insurance documents with regional partners
	1.4.2 Signed free trade agreements with regional partners, similar to the first such agreement signed with Albania in June 2003
	1.4.3 Quarterly assessments by the European Commission indicating progress towards compliance with the standards set by its Stabilization and Association Process Tracking Mechanism (STM)

Outputs

- Facilitated regular meetings of political leaders and signed agreements on issues of freedom of movement, education, health and customs, among others
- Pursued discussions on recognition of vehicle licence plates, driving licences, vehicle insurance and travel documents with most countries in the region, in particular Bosnia and Herzegovina, Bulgaria, Croatia, Greece, Slovenia and Turkey
- Initiated and pursued negotiations on free trade agreements between Kosovo and regional neighbours
- Developed cooperation on energy exchange with neighbouring electricity suppliers, in particular from Albania, Bulgaria and Serbia and Montenegro

- Planned and organized regional parliamentary exchanges
- Coordinated with PISG the implementation of the European Commission recommendations in the framework of the STM process

Expected accomplishments	*Indicators of achievement*
1.5 Transition to a market economy	1.5.1 Legislative framework for the development of the Kosovo economy is compliant with European Union standards
	1.5.2 Operational and sustainable institutional and infrastructure base as evidenced by the quarterly expert performance assessment within the STM process
	1.5.3 All property transactions are duly registered in the Kosovo cadastre

Outputs

- Adopted and implemented a legal and operational framework in the areas of property rights, commerce and competition, fiscal matters, and investment and infrastructure, in accordance with European standards
- Provided public utilities on a regular basis without interruption or cuts in services
- Designed and implemented restructuring plans for publicly owned enterprises and privatized socially owned enterprises, as provided for under the operational policies of the Kosovo Trust Agency
- Adopted and implemented non-discriminatory policies on recruitment and public utility provision
- Participated in four quarterly meetings of STM and regular sectoral meetings (on issues such as education, health, transport, communication, media and economy) to assess progress between quarterly STM meetings

External factors

- The regional security environment will remain calm. Internal and external challenges to implementation of the Constitutional Framework will be limited. Regional developments will create a favourable environment for the implementation of the Constitutional Framework. Political actors in Kosovo are willing to cooperate within the framework of the benchmarks. Donors will provide sufficient funding for returns projects. Continued support of the Kosovo Force in ensuring a safe environment

Table 2

Human resources for component 1: Substantive civilian

Category	*Total*
I. Military liaison officers	
Approved 2003/04	**38**
Proposed 2004/05	**38**
Net change	**—**

	International staff										
II. Civilian staff	*USG -ASG*	*D-2 -D-1*	*P-5 -P-4*	*P-3 -P-1*	*Field Service*	*General Service*	*Security Service*	*Subtotal*	*National staff[a]*	*United Nations Volunteers*	*Total*
Office of the Deputy Special Representative of the Secretary-General											
Approved 2003/04	1	3	1	—	—	4	—	**9**	7	5	**21**
Proposed 2004/05	1	3	1	—	—	3	—	**8**	7	5	**20**
Net change	—	—	—	—	—	**(1)**	—	**(1)**	—	—	**(1)**
Office of the Coordinator of the Kosovo Protection Corps											
Approved 2003/04	—	—	—	—	—	—	—	**—**	—	—	**—**
Proposed 2004/05	—	—	1	9	—	—	—	**10**	5	5	**20**
Net change	—	—	1	9	—	—	—	**10**	5	5	**20**
Office of Management Review and Internal Oversight											
Approved 2003/04	—	—	1	—	—	—	—	**1**	1	1	**3**
Proposed 2004/05	—	—	1	—	—	—	—	**1**	1	1	**3**
Net change	—	—	—	—	—	—	—	**—**	—	—	**—**
Oversight, Monitoring and Reporting											
Approved 2003/04	—	—	3	1	—	—	—	**4**	1	—	**5**
Proposed 2004/05	—	—	3	1	—	—	—	**4**	1	—	**5**
Net change	—	—	—	—	—	—	—	**—**	—	—	**—**
Office of Gender Affairs											
Approved 2003/04	—	—	2	—	—	1	—	**3**	3	1	**7**
Proposed 2004/05	—	—	2	—	—	1	—	**3**	3	1	**7**
Net change	—	—	—	—	—	—	—	**—**	—	—	**—**
Directorate of Administrative Affairs											
Approved 2003/04	—	1	4	1	—	1	—	**7**	4	—	**11**
Proposed 2004/05	—	1	3	1	—	1	—	**6**	4	—	**10**
Net change	—	—	**(1)**	—	—	—	—	**(1)**	—	—	**(1)**

II. Civilian staff	International staff										
	USG -ASG	*D-2 -D-1*	*P-5 -P-4*	*P-3 -P-1*	*Field Service*	*General Service*	*Security Service*	*Subtotal*	*National staff[a]*	*United Nations Volunteers*	*Total*
Ministry of Public Services											
Approved 2003/04	—	2	15	12	—	1	—	30	16	65	111
Proposed 2004/05	—	1	9	7	—	1	—	18	10	65	93
Net change	—	(1)	(6)	(5)	—	—	—	(12)	(6)	—	(18)
Directorate of Civil Protection											
Approved 2003/04	—	1	6	5	—	—	—	12	15	3	30
Proposed 2004/05	—	1	4	3	—	—	—	8	10	3	21
Net change	—	—	(2)	(2)	—	—	—	(4)	(5)	—	(9)
Directorate of Rural Affairs											
Approved 2003/04	—	—	2	—	—	1	—	3	1	—	4
Proposed 2004/05	—	—	2	—	—	1	—	3	1	—	4
Net change	—	—	—	—	—	—	—	—	—	—	—
Ministry of Agriculture, Forestry and Rural Development											
Approved 2003/04	—	1	2	—	—	1	—	4	4	9	17
Proposed 2004/05	—	1	1	—	—	1	—	3	3	9	15
Net change	—	—	(1)	—	—	—	—	(1)	(1)	—	(2)
Ministry of Education, Science and Technology											
Approved 2003/04	—	1	5	2	—	1	—	9	7	12	28
Proposed 2004/05	—	1	5	2	—	1	—	9	5	12	26
Net change	—	—	—	—	—	—	—	—	(2)	—	(2)
Ministry of Culture, Youth and Sports											
Approved 2003/04	—	—	3	1	—	2	—	6	6	10	22
Proposed 2004/05	—	—	2	1	—	2	—	5	4	10	19
Net change	—	—	(1)	—	—	—	—	(1)	(2)	—	(3)
Ministry of Health											
Approved 2003/04	—	1	1	1	—	2	—	5	5	6	16
Proposed 2004/05	—	1	1	1	—	2	—	5	4	6	15
Net change	—	—	—	—	—	—	—	—	(1)	—	(1)
Ministry of Environment and Spatial Planning											
Approved 2003/04	—	—	2	3	—	2	—	7	2	4	13
Proposed 2004/05	—	—	1	2	—	2	—	5	2	4	11
Net change	—	—	(1)	(1)	—	—	—	(2)	—	—	(2)

II. Civilian staff	International staff										
	USG -ASG	*D-2 -D-1*	*P-5 -P-4*	*P-3 -P-1*	*Field Service*	*General Service*	*Security Service*	*Subtotal*	*National staff*[a]	*United Nations Volunteers*	*Total*
Ministry of Labour and Social Welfare											
Approved 2003/04	—	1	7	4	—	2	—	**14**	5	3	**22**
Proposed 2004/05	—	1	5	3	—	1	—	**10**	4	3	**17**
Net change	—	—	**(2)**	**(1)**	—	**(1)**	—	**(4)**	**(1)**	--	**(5)**
Office of Community Affairs											
Approved 2003/04	—	—	4	—	—	1	—	**5**	3	1	**9**
Proposed 2004/05	—	—	4	—	—	1	—	**5**	3	1	**9**
Net change	—	—	—	—	—	—	—	—	—	—	—
Regional administrations											
Approved 2003/04	—	4	37	17	—	15	—	**73**	103	34	**210**
Proposed 2004/05	—	4	25	13	—	6	—	**48**	73	34	**155**
Net change	—	—	**(12)**	**(4)**	—	**(9)**	—	**(25)**	**(30)**	—	**(55)**
Municipal administrations											
Approved 2003/04	—	—	58	54	—	16	—	**128**	118	54	**300**
Proposed 2004/05	—	—	37	30	—	7	—	**74**	66	54	**194**
Net change	—	—	**(21)**	**(24)**	—	**(9)**	—	**(54)**	**(52)**	—	**(106)**
Office of Returns and Communities											
Approved 2003/04	—	1	3	4	—	3	—	**11**	8	1	**20**
Proposed 2004/05	—	1	4	6	—	3	—	**14**	10	3	**27**
Net change	—	—	**1**	**2**	—	—	—	**3**	**2**	**2**	**7**
Advisory Unit on Security											
Approved 2003/04	—	—	1	1	—	1	—	**3**	—	—	**3**
Proposed 2004/05	—	—	1	1	—	1	—	**3**	—	—	**3**
Net change	—	—	—	—	—	—	—	—	—	—	—
Office of Political Affairs											
Approved 2003/04	—	4	9	9	—	6	—	**28**	18	—	**46**
Proposed 2004/05	—	3	8	10	—	4	—	**25**	16	—	**41**
Net change	—	**(1)**	**(1)**	**1**	—	**(2)**	—	**(3)**	**(2)**	—	**(5)**
Office of Legal Affairs											
Approved 2003/04	—	2	9	8	—	3	—	**22**	6	—	**28**
Proposed 2004/05	—	2	9	6	—	2	—	**19**	2	—	**21**
Net change	—	—	—	**(2)**	—	**(1)**	—	**(3)**	**(4)**	—	**(7)**

II. Civilian staff	International staff: USG -ASG	D-2 -D-1	P-5 -P-4	P-3 -P-1	Field Service	General Service	Security Service	Subtotal	National staff[a]	United Nations Volunteers	Total
Office of the Spokesperson and Public Information											
Approved 2003/04	—	1	6	8	—	4	—	19	40	1	60
Proposed 2004/05	—	1	6	8	—	4	—	19	40	2	61
Net change	—	—	—	—	—	—	—	—	—	1	1
Military Liaison Office											
Approved 2003/04	—	1	2	2	—	1	—	6	3	—	9
Proposed 2004/05	—	1	2	2	—	1	—	6	3	—	9
Net change	—	—	—	—	—	—	—	—	—	—	—
Subtotal											
Approved 2003/04	1	24	183	133	—	68	—	409	376	210	995
Proposed 2004/05	1	22	137	106	—	45	—	311	277	218	806
Net change	—	(2)	(46)	(27)	—	(23)	—	(98)	(99)	8	(189)
Total (I and II)											
Approved 2003/04											1 033
Proposed 2004/05											844
Net change											(189)

[a] Includes national officers and national General Service staff.

Expected accomplishments

1.1 Further development of Kosovo Provisional Institutions of Self-Government, ensuring respect for minority rights

Outputs

- Promulgated UNMIK regulation, adopted subsidiary instruments (administrative directions) and electoral rules, thereby putting in place the legislative framework for the conduct of the 2004 Kosovo Assembly elections
- Kosovo Protection Corps mandate as civil emergency force fully enforced
- Promulgated and enforced affirmative action plans for minorities, women and vulnerable groups

Justification

International staff: decrease of 98 posts

A net decrease of 98 posts results from the establishment of 10 posts in connection with the new Office of the Coordinator of the Kosovo Protection Corps and 4 additional posts for the Office of Returns and Communities and the Office of Political Affairs, offset by a reduction of 112 posts due to the downsizing of the Mission

One P-4, four P-3 and five P-2 posts are related to the establishment of the Office of the Coordinator of the Kosovo Protection Corps. The Office will exercise control and authority over the Corps following the reduction of the Kosovo Force and the withdrawal of the International Organization for Migration, will closely manage demining activities and will retain adequate capacity for oversight and monitoring in order to ensure the compliance of the Kosovo Provisional Institutions of Self-Government with Security Council resolution 1244 (1999)

Three additional posts (one P-4, two P-2) are required to strengthen the capacity of the Office of Returns and Communities. With the growing number of displaced persons indicating their intention to return, the workload of the Office is increasing, in terms of both returns-related activities and monitoring and intervention to ensure protection for minorities in all sectors of society

One P-3 post represents a reclassified P-4 post in the Office of Political Affairs in the Skopje liaison office, resulting from the closure of the UNMIK liaison office in Tirana in June 2004. Within the scope of the Office, an incumbent will be responsible for keeping track of political developments in the former Yugoslav Republic of Macedonia and maintaining political contacts with government officials

National staff: decrease of 99 posts

A net decrease of 99 posts results from five new General Service posts, established in connection with the new Office of the Coordinator of the Kosovo Protection Corps and an additional two General Service posts for the Office of Returns and Communities, offset by a reduction of 106 posts

United Nations Volunteers: increase of 8 posts

The increase results from the addition of five posts for the Office of the Coordinator of the Kosovo Protection Corps, two posts for the Office of Returns and Communities and one post for a coordinator of the Community Information Centre project for the Office of the Spokesperson and Public Information. The coordinator will manage 10 Kosovo Serb staff working in Serb communities in each region of Kosovo to disseminate official information to minority communities and to provide UNMIK headquarters with information on the situation in different communities

Component 2: Rule of law

Expected accomplishments	*Indicators of achievement*
2.1 Progress towards an impartial, competent and multi-ethnic police, justice and penal system, supported by the public and PISG and based on respect for human rights	2.1.1 An 80% increase in the number of cases of murders and serious assaults committed against minorities being tried by local prosecutors and judges, which were previously handled by international judges and prosecutors
	2.1.2 Compliance with Council of Europe standards as well as United Nations standard minimum rules for the treatment of prisoners
	2.1.3 Compliance with requirements set by UNMIK, as the governing authority, for minority and gender representation within the police, justice and penal system
	2.1.4 Increase in the number of Kosovo Police Service (KPS) members from 6,143 to the target figure of 6,500

Outputs

- Trained 420 Kosovar judges and prosecutors and 6,553 police officers on criminal codes, representing 100% of judicial personnel and police officers
- Eliminated a backlog of 80 cases (as of August 2003) on judicial misconduct by local judges and prosecutors
- Established operational responsibility of KPS in all police stations in Kosovo
- Set up three specialized KPS units as part of the KPS transition plan
- Established 10 local crime-prevention councils and 10 traffic-safety councils
- Managed eight correctional facilities in accordance with international standards
- Transferred responsibilities to 22 local deputy prison directors
- Produced a monthly television programme on law-and-order issues

Expected accomplishments	*Indicators of achievement*
2.2 Improve effectiveness of systems to combat organized crime, inter-ethnic crime, terrorism and corruption	2.2.1 Increase by 80% in the number of organized crime, human trafficking, inter-ethnic crime, terrorism and corruption cases tried by local judges and prosecutors, which are currently handled primarily by international judges and prosecutors
	2.2.2 A 150% increase in the direct involvement of KPS officers in investigations of basic and serious crimes, in line with the plan for transition from international civilian police to KPS

Outputs

- Trained and appointed five local prosecutors to the Public Corruption Prosecutor's Office
- Trained 185 local police officers to investigate organized crime, inter-ethnic crime, terrorism and corruption
- The Financial Information Centre is operational. It will receive and analyse reports of suspicious financial transactions disclosed pursuant to money-laundering regulations
- Developed a transfer plan for specialized areas: organized crime, financial investigations, intelligence, missing persons and forensics
- Concluded police cooperation agreements with Bosnia and Herzegovina, Croatia and Slovenia
- Concluded six comprehensive agreements on judicial cooperation with Albania, Bosnia and Herzegovina, Croatia, the former Yugoslav Republic of Macedonia, Serbia and Montenegro and Slovenia. Areas of judicial cooperation include extradition of accused persons, transfer of sentenced persons and execution of criminal judgments

External factors

Continued willingness of minorities and women to participate in KPS. Continued personnel and logistical support of NATO for the Kosovo Force to maintain a safe and secure environment. Adequate availability of police, judiciary and correctional officers, as well as adequate facilities and financial means to support them

Table 3
Human resources for component 2: Rule of law

Category	*Total*
I. Civilian police	
Approved 2003/04	**3 400**
Proposed 2004/05	**3 055**
Net change	**(345)**
II. Formed police units	
Approved 2003/04	**1 203**
Proposed 2004/05	**973**
Net change	**(230)**

	International staff										
III. Civilian staff	*USG -ASG*	*D-2 -D-1*	*P-5 -P-4*	*P-3 -P-1*	*Field Service*	*General Service*	*Security Service*	***Subtotal***	*National staff[a]*	*United Nations Volunteers*	***Total***
Office of the Deputy Special Representative of the Secretary-General											
Approved 2003/04	1	—	3	1	—	2	—	**7**	5	1	**13**
Proposed 2004/05	1	—	3	1	—	2	—	**7**	5	1	**13**
Net change	—	—	—	—	—	—	—	—	—	—	—
Police											
Office of the Police Commissioner											
Approved 2003/04	—	2	2	1	—	1	—	**6**	1 495	10	**1 511**
Proposed 2004/05	—	2	2	1	—	1	—	**6**	1 345	10	**1 361**
Net change	—	—	—	—	—	—	—	—	**(150)**	—	**(150)**
Financial Investigations Unit											
Approved 2003/04	—	—	—	—	—	—	—	—	—	—	—
Proposed 2004/05	—	—	1	2	—	4	—	**7**	—	1	**8**
Net change	—	—	**1**	**2**	—	**4**	—	**7**	—	**1**	**8**
Financial Information Centre											
Approved 2003/04	—	—	—	—	—	—	—	—	—	—	—
Proposed 2004/05	—	—	1	1	—	1	—	**3**	—	—	**3**
Net change	—	—	**1**	**1**	—	**1**	—	**3**	—	—	**3**
Justice											
Office of the Director											
Approved 2003/04	—	1	—	3	—	2	—	**6**	3	—	**9**
Proposed 2004/05	—	1	—	3	—	2	—	**6**	3	—	**9**
Net change	—	—	—	—	—	—	—	—	—	—	—

III. Civilian staff	International staff								National staff[a]	United Nations Volunteers	Total
	USG -ASG	D-2 -D-1	P-5 -P-4	P-3 -P-1	Field Service	General Service	Security Service	Subtotal			
Legal Advisory Support Unit											
Approved 2003/04	—	—	1	3	—	1	—	5	—	—	5
Proposed 2004/05	—	—	1	3	—	1	—	5	—	—	5
Net change	—	—	—	—	—	—	—	—	—	—	—
Organized Crime Support Unit											
Approved 2003/04	—	—	1	2	—	7	—	10	—	—	10
Proposed 2004/05	—	—	1	2	—	7	—	10	—	—	10
Net change	—	—	—	—	—	—	—	—	—	—	—
Judicial Development Division											
Approved 2003/04	—	—	2	9	—	6	—	17	5	3	25
Proposed 2004/05	—	—	2	8	—	6	—	16	5	2	23
Net change	—	—	—	(1)	—	—	—	(1)	—	(1)	(2)
International Judicial Support Division											
Approved 2003/04	—	6	31	46	—	52	—	135	12	3	150
Proposed 2004/05	—	7	28	35	—	49	—	119	16	2	137
Net change	—	1	(3)	(11)	—	(3)	—	(16)	4	(1)	(13)
Penal Management Division											
Approved 2003/04	—	1	6	34	5	13	—	59	26	11	96
Proposed 2004/05	—	1	6	21	5	13	—	46	23	4	73
Net change	—	—	—	(13)	—	—	—	(13)	(3)	(7)	(23)
Office on Missing Persons and Forensics											
Approved 2003/04	—	—	2	8	—	9	—	19	7	4	30
Proposed 2004/05	—	—	2	8	—	8	—	18	7	4	29
Net change	—	—	—	—	—	(1)	—	(1)	—	—	(1)
Subtotal											
Approved 2003/04	1	10	48	107	5	93	—	264	1 553	32	1 849
Proposed 2004/05	1	11	47	85	5	94	—	243	1 404	24	1 671
Net change	—	1	(1)	(22)	—	1	—	(21)	(149)	(8)	(178)
Total (I, II and II)											
Approved 2003/04											6 452
Proposed 2004/05											5 699
Net change											(753)

[a] Includes national officers and national General Service staff.

Expected accomplishments

2.2 Improve effectiveness of systems to combat organized crime, inter-ethnic crime, terrorism and corruption

Outputs

- Developed a transfer plan for specialized areas: organized crime, financial investigations, intelligence, missing persons and forensics
- Concluded police cooperation agreements with Bosnia and Herzegovina, Croatia and Slovenia
- Concluded six comprehensive agreements on judicial cooperation with Albania, Bosnia and Herzegovina, Croatia, the former Yugoslav Republic of Macedonia, Serbia and Montenegro and Slovenia. Areas of judicial cooperation include extradition of accused persons, transfer of sentenced persons and execution of criminal judgments

Justification

International staff: decrease of 21 posts

A net decrease of 21 posts results from 10 new posts in connection with the establishment of the Financial Investigations Unit and the Financial Information Centre and 1 post for the establishment of the Special Chamber of the Supreme Court on the Kosovo Trust Agency, under the administration of the International Judicial Support Division, offset by a decrease of 32 posts

The Financial Investigations Unit is intended to conduct financial investigations of publicly and socially owned bodies. The proposed staffing comprises one P-4, two P-3 and four General Service posts

The Financial Information Centre is intended to promulgate the money-laundering regulation. It will process financial and banking data under new disclosure obligations created by the regulation in order to identify cases of money-laundering. The Centre will report directly to the Deputy Special Representative of the Secretary-General for Pillar I and will be independent of both the police and the Department of Justice. The staffing requirements for the Centre include one P-4, one P-3 and one General Service post

The Special Chamber of the Supreme Court on the Kosovo Trust Agency, under the administration of the International Judicial Support Division, is to adjudicate claims arising in relation to activities of the Agency. The proposed staffing includes one new D-1 post

National staff: decrease of 149 posts

The net decrease of 149 posts results from the establishment of one national officer post and three General Service posts to support the Special Chamber of the Supreme Court on the Kosovo Trust Agency, offset by a reduction of 153 posts

United Nations Volunteers: decrease of 8 posts

A net decrease of eight posts results from the establishment of one post in connection with the new Financial Investigations Unit, offset by a reduction of nine posts

Component 3: Support

Expected accomplishments	*Indicators of achievement*
3.1 Effective and efficient logistical and administrative support for the Mission	3.1.1 Recruitment time for the replacement of international staff in Pillars I and II and for national staff reduced sufficiently
	3.1.2 The percentage of total inventory value awaiting write-off and disposal will be reduced from 1.9% as at 30 June 2003 to 0.8% as at 30 June 2005 and surplus stock holdings are to be reduced in value from 12.47% of monthly holdings in 2003/04 to 8.1% in 2004/05
	3.1.3 A 15% increase in utilization rates for UNMIK vehicles, from the current rate of 1,915 kilometres per vehicle per month for standard vehicles and 1,041 kilometres per vehicle per month for heavy trucks to 2,202 kilometres per vehicle per month for standard vehicles and 1,197 kilometres per vehicle per month for heavy trucks in 2004/05
	3.1.4 Reduced rates of traffic accidents involving UNMIK personnel
	3.1.5 Outsourcing of six management and maintenance services to local contractors, including grounds and building management, transport fleet maintenance and repair, generator/heating plant repair and maintenance service, accommodation service, documents reproduction service and car-washing facility

Outputs

Service improvement

- Time for replacement of staff in 2004/05 reduced from three months to one month for international staff and from two months to three weeks for national staff by re-engineering the recruitment process through faster short-listing and reduced time for paperwork and interviews of potential candidates
- The rate of traffic accidents involving UNMIK personnel reduced from an average of 14 per month to an average of 10 per month
- The utilization rate of 2,202 kilometres per vehicle per month for standard vehicles and 1,197 kilometres per vehicle per month for heavy trucks achieved

Civilian police

- 3,055 civilian police serviced, including rotations, payments and transport support

Civilian personnel

- An average of 3,695 international and national staff per month administered, including in respect of career development and payment of mission subsistence allowance and other entitlements
- Outsourcing of six management and maintenance services to local contractors, resulting in a reduction of operational costs by some $1.3 million and a reduction of 5 international and 35 national-level posts in supply and engineering fields during the period from October 2004 to April 2005

- The UNMIK 2004/05 downsizing plan, including a reduction of 135 international posts and 134 national-level posts from June 2004 to June 2005, implemented without interruption of support services

Official travel

- 2,402 personnel trained in the areas of communications, information technology, transport, security, air safety, finance, supplies, engineering and language skills

Facilities and infrastructure

- 120 premises Kosovo-wide maintained, including Mission and administrative headquarters, three regional headquarters, five premises in municipalities, five logistics bases and four clinics

Ground transportation

- 1,871 vehicles managed, including distribution, control, repair and maintenance, for civilian police and international and local staff

Air transportation

- One fixed-wing aircraft and one helicopter operated with 30 monthly block hours each, utilized in police operations, including witness protection and reconnaissance and VIP and liaison flights; 3,800 passengers and three tons of cargo delivered, and 156 shuttle flights to Belgrade completed

Communications

- Three information programmes dedicated to core policy goals of UNMIK aired at prime time in Kosovo

Information technology

- An average of 3,500 communications and information technology users, excluding civilian police and members of formed police units, supported monthly by access to telephone, fax, e-mail and the Internet, where applicable
- Integrated inventory management fully operational

Medical

- UNMIK 12-bed health-care centre and regional clinics with a total capacity of 20,000 patients per year operated

External factors

The adjacent borders remain open for the delivery of goods and services to UNMIK

Favourable exchange rate between the United States dollar and European currency

Table 4
Human resources for component 3: Support

	International staff										
	USG -ASG	*D-2 -D-1*	*P-5 -P-4*	*P-3 -P-1*	*Field Service*	*General Service*	*Security Service*	***Subtotal***	*National staff*[a]	*United Nations Volunteers*	***Total***
Office of the Director of Administration											
Approved 2003/04	—	1	5	12	24	8	40	**90**	314	7	**411**
Proposed 2004/05	—	1	4	11	20	7	40	**83**	262	7	**352**
Net change	—	—	**(1)**	**(1)**	**(4)**	**(1)**	—	**(7)**	**(52)**	—	**(59)**
Administrative Services											
Approved 2003/04	—	1	14	20	26	45	—	**106**	144	—	**250**
Proposed 2004/05	—	1	14	19	24	43	—	**101**	144	—	**245**
Net change	—	—	—	**(1)**	**(2)**	**(2)**	—	**(5)**	—	—	**(5)**
Integrated Support Services											
Approved 2003/04	—	1	11	18	123	11	—	**164**	738	—	**902**
Proposed 2004/05	—	1	11	16	117	11	—	**156**	738	—	**894**
Net change	—	—	—	**(2)**	**(6)**	—	—	**(8)**	—	—	**(8)**
Total											
Approved 2003/04	—	3	30	50	173	64	40	**360**	1 196	7	**1 563**
Proposed 2004/05	—	3	29	46	161	61	40	**340**	1 144	7	**1 491**
Net change	—	—	**(1)**	**(4)**	**(12)**	**(3)**	—	**(20)**	**(52)**	—	**(72)**

[a] Includes national officers and national General Service staff.

Expected accomplishments

3.1 Effective and efficient logistical and administrative support for the Mission

Outputs

- UNMIK 2004/05 downsizing plan, including a reduction of 135 international posts and 134 national-level posts from June 2004 to June 2005, implemented without interruption of support services
- Staff replacement time in 2004/05 reduced from three months to one month for international staff and from two months to three weeks for national staff by re-engineering the recruitment process through faster short-listing and reduced time for paperwork and interviews of potential candidates
- An average of 3,695 international and national civilian staff per month administered, including in respect of career development and payment of mission subsistence allowance and other entitlements

Justification

International staff: decrease of 20 posts

National staff: decrease of 52 posts

Lower staffing requirements result from the overall downsizing of the Mission

II. Resource requirements

1. Overall

(Thousands of United States dollars. Budget year is 1 July to 30 June.)

Category	Expenditure (2002/03)	Apportionment (2003/04)[a]	Cost estimates (2004/05)	Variance	
				Amount	Percentage
	(1)	(2)	(3)	(4)=(3)—(2)	(5)=(4)÷(2)
Military and police personnel					
Military observers	1 136.7	1 174.2	1 279.7	105.5	9.0
Military contingents	3 836.2	3 452.5	2 737.4	(715.1)	(20.7)
Civilian police	91 477.8	93 728.6	78 503.4	(15 225.3)	(16.2)
Formed police units	18 758.0	19 030.4	14 743.8	(4 286.6)	(22.5)
Subtotal	**115 208.7**	**117 385.7**	**97 264.3**	**(20 121.4)**	**(17.1)**
Civilian personnel					
International staff[b]	123 590.7	101 749.7	96 694.1	(5 055.6)	(5.0)
National staff[c]	39 544.2	35 399.4	31 679.8	(3 719.6)	(10.5)
United Nations Volunteers	7 460.1	8 146.1	8 666.6	520.5	6.4
Subtotal	**170 595.0**	**145 295.2**	**137 040.5**	**(8 254.7)**	**(5.7)**
Operational costs					
General temporary assistance	541.7	105.6	105.6	—	—
Government—provided personnel	—	—	—	—	—
Civilian electoral observers	—	—	—	—	—
Consultants	4.9	—	—	—	—
Official travel	1 482.7	1 666.7	1 449.4	(217.3)	(13.0)
Facilities and infrastructure	19 576.7	21 228.0	16 109.3	(5 118.7)	(24.1)
Ground transportation	5 666.8	9 247.2	6 282.0	(2 965.2)	(32.1)
Air transportation	2 595.1	2 906.7	1 603.8	(1 302.9)	(44.8)
Naval transportation	—	—	—	—	—
Communications	6 608.5	6 937.6	4 955.2	(1 982.4)	(28.6)
Information technology	1 807.1	5 578.2	4 416.5	(1 161.7)	(20.8)
Medical	688.5	762.4	549.3	(213.1)	(28.0)
Special equipment	137.1	110.9	98.0	(12.9)	(11.6)
Other supplies, services and equipment	5 055.0	4 294.0	2 336.9	(1 957.1)	(45.6)
Quick—impact projects	—	—	—	—	—
Subtotal	**44 164.1**	**52 837.3**	**37 906.0**	**(14 931.3)**	**(28.3)**
Gross requirements	**329 967.8**	**315 518.2**	**272 210.8**	**(43 307.4)**	**(13.7)**

Category	Expenditure (2002/03)	Apportionment (2003/04)[a]	Cost estimates (2004/05)	Variance	
				Amount	Percentage
	(1)	(2)	(3)	(4)=(3)–(2)	(5)=(4)÷(2)
Staff assessment income	25 082.5	19 704.4	19 731.9	27.5	0.1
Net requirements	**304 885.3**	**295 813.8**	**252 478.9**	**(43 279.9)**	**(14.6)**
Voluntary contributions in kind (budgeted)	—	—	—	—	—
Total requirements	**329 967.8**	**315 518.2**	**272 210.8**	**(43 307.4)**	**(13.7)**

[a] Reflects adjusted distribution of approved resources between military and police personnel and operational costs categories of expenditure.
[b] Cost estimates for 2003/04 and 2004/05 are inclusive of a 10% vacancy rate.
[c] Cost estimates for 2004/05 are inclusive of a 3% vacancy rate, as opposed to the 8% vacancy rate applied in 2003/04.

2. Contingent-owned equipment: major equipment and self-sustainment

7. Requirements for the period from 1 July 2004 to 30 June 2005 are based on standard reimbursement rates for major equipment (wet lease) and self-sustainment in the total amount of $3,295,700, as follows:

Category	Estimated amount (Thousands of US dollars)
Major equipment	**2 557.4**
Self-sustainment	
Office equipment	50.6
Miscellaneous general stores	136.7
Communications	315.5
Medical services	137.5
Observation	98.0
Subtotal	**738.3**
Total	**3 295.7**

III. Analysis of variances[1]

Reference

This section describes the single largest contributing factor of each resource variance according to specific standard options encompassed in the four standard categories listed below:

- **Mandate**: Variances caused by changes in the scale or scope of the mandate, or changes in the expected accomplishments as driven by the mandate;
- **External**: Variances caused by parties or situations external to the United Nations;
- **Cost parameters**: Variances caused by United Nations regulations, rules and policies;
- **Management**: Variances caused by management actions to achieve planned results more effectively (e.g., by reprioritizing or adding certain outputs) or efficiently (e.g., by taking measures to reduce personnel or operational inputs while maintaining the same level of outputs), and/or from performance-related issues (e.g., by having underestimated the costs or quantities of inputs required to produce a certain level of outputs, or by delayed recruitment).

	Variance	
Military observers	$105.5	9%

• Cost parameters: Change in mission subsistence allowance rates

8. The most significant factor contributing to the variance is the increase in mission subsistence allowance rates from $100 to $130 for the first 30 days and from $71 to $75 thereafter, effective 1 July 2003.

	Variance	
Military contingents	($715.1)	(20.7%)

• Management: reduced outputs and inputs

9. The lower resource requirements are attributable to the lower cost of major equipment resulting from the repatriation of three special police units.

[1] Resource variance amounts are expressed in thousands of United States dollars.

	Variance	
Civilian police	($15,225.3)	(16.2%)

- **Management: reduced outputs and inputs**

10. Lower resource requirements result from the progressive reduction of civilian police from 3,055 in July 2004 to 2,195 by June 2005.

	Variance	
Formed police units	($4,286.6)	(22.5%)

- **Management: reduced outputs and inputs**

11. Lower resource requirements are attributable to the repatriation of three special police units during the last quarter of the financial period.

	Variance	
International staff	($5,055.6)	(5%)

- **Management: reduced outputs and inputs**

12. Lower resource requirements are attributable to the progressive reduction of international staff, which began on 1 July 2002. The number of international staff will be further reduced by April 2005. The staff costs also take into consideration the expected conversion of international staff from 300 series to 100 series (223), the projected number of staff encumbering posts at lower levels (283) and the revised salary scales approved for 300-series staff, Professional staff and above and Field Service staff, effective 1 January 2003.

	Variance	
National staff	($3,719.6)	(10.5%)

- **Management: reduced outputs and inputs**

13. Following the transfer of responsibilities to the Kosovo Provisional Institutions of Self-Government and the Kosovo Police Force, UNMIK plans to further reduce national staff from 2,830 in July 2004 to 2,707 by June 2005.

	Variance	
United Nations Volunteers	$520.5	6.4%

- **Cost parameters: allowances**

14. The increase is attributable to the revised entitlements of United Nations Volunteers, namely, the increase in the settling-in grant from $1,116 to $1,301, effective 14 October 2003, and in the living allowance from $2,005 to $2,190, effective 1 January 2003.

	Variance	
Official travel	($217.3)	(13%)

- **Management: reduced outputs and inputs**

15. The most significant factor contributing to the variance is lower non-training travel requirements resulting from the overall downsizing of the Mission.

	Variance	
Facilities and infrastructure	($5,118.7)	(24.1%)

- **Management: reduced outputs and inputs**

16. The lower resource requirements are attributed to a projected reduction in the number of premises maintained by the Mission following the handover of 37 police stations to the Kosovo Police Service and the closure of two special police unit camps.

	Variance	
Ground transportation	($2,965.2)	(32.1%)

- **Management: reduced outputs and inputs**

17. The lower requirements are attributed to the replacement of fewer vehicles. The proposed budget provides for the replacement of only 98 vehicles, compared with the 240 provided for in the current period. The total number of vehicles is expected to decrease from 2,717 on 30 June 2003 to 1,910 during 2004/05.

	Variance	
Air transportation	($1,302.9)	(44.8%)

- **Management: reduced outputs and inputs**

18. The lower requirements are attributed primarily to a decrease in flying hours. The total number of flying hours in respect of the MI-8 helicopter will be reduced from 840 (480 block hours and 360 extra hours) to 450 (360 block hours and 90 extra hours). The Beech King fixed-wing flying hours will also be reduced, from 720 (480 block hours and 240 extra hours) to 450 (360 block hours and 90 extra hours).

	Variance	
Communications	($1,982.4)	(28.6%)

- **Management: reduced outputs and inputs**

19. The lower resource requirements are attributed to the reduced provision for communications support services due to the termination of the current contractual arrangements and the transfer of responsibilities to 12 United Nations Volunteers.

	Variance	
Information technology	($1,161.7)	(20.8%)

- **Management: reduced inputs and outputs**

20. The decrease is attributable mainly to reduced requirements for licence fees due to the projected reduction of desktop and laptop computers, since not all assets written off will be replaced. The total number of desktops is expected to decrease from 5,058 on 30 June 2003 to 4,023 by 30 June 2005. The number of laptops will also decrease, from 1,216 to 1,014, during this period.

	Variance	
Medical	($213.1)	(28%)

- **Management: reduced inputs and outputs**

21. The lower requirements are attributed to the projected decrease in medical services due to the overall downsizing of the Mission.

	Variance	
Special equipment	($12.9)	(11.6%)

- **Management: reduced inputs and outputs**

22. The decrease in requirements is attributable to the lower cost of special equipment resulting from the repatriation of three special police units during the last quarter of the financial period.

	Variance	
Other supplies, services and equipment	($1,957.1)	(45.6%)

- **External: decrease in bank fees**

23. The lower resource requirements are attributed mainly to the decreased cost of bank services, which has been achieved through the negotiation of fee structures with banks.

IV. Actions to be taken by the General Assembly

24. **The actions to be taken by the General Assembly in connection with the financing of the United Nations Interim Administration Mission in Kosovo are:**

(a) The appropriation of the amount of $272,210,800 for the maintenance of UNMIK for the 12-month period from 1 July 2004 to 30 June 2005;

(b) The assessment of the amount in paragraph (a) above at a monthly rate of $22,684,233.

V. Summary of follow-up action taken to implement requests and recommendations of the Advisory Committee on Administrative and Budgetary Questions and the United Nations Board of Auditors

A. Advisory Committee on Administrative and Budgetary Questions

Request/recommendation (see A/57/772/Add.5)	*Action taken to implement request/recommendation*
The Advisory Committee is of the view that when posts are consistently filled at lower levels in missions of limited duration, the level of the higher-graded posts should be reviewed and the posts reclassified accordingly (para. 22).	UNMIK undertook a review of the posts encumbered by staff at lower levels, and actions have been initiated to reconcile post levels with the levels of staff in the Field Post Management System database. Some staff have been moved to a corresponding post or, in some cases, a post one level higher.
The Advisory Committee requests that in the next budget report information be provided on the effect of implementing a long-term completion and empowerment strategy, as envisaged in the observations made in its reports A/56/887/Add.6 and A/55/624. In particular, clear information should be provided on matters for which responsibility could be transferred to the Kosovo Provisional Institutions and those for which the international community would continue to be responsible (para. 28).	The competence of local judges and prosecutors will be further enhanced by the reform of the Kosovo Judicial and Prosecutorial Council to provide mandatory training for judges and prosecutors, both before and after appointment to office. Police and Justice remain within the reserved competencies of the Special Representative of the Secretary-General, and until the transfer of powers to PISG, responsibility for Police and Justice will remain with the international community. However, the Police and Justice Pillar has accelerated the rate of "Kosovorization", with the aim of increasing local capacity and gradually handing over responsibilities to local staff in areas such as operational responsibility for police stations and correctional facilities throughout Kosovo by the end of 2004.
The Advisory Committee does not believe it is appropriate for a mission that is downsizing, such as UNMIK, to continue to automatically replace electronic data-processing equipment, utilizing the same benchmarks used by other, active or expanding, missions (para. 41).	The planned replacement rate for information technology equipment is lower than the standard replacement rate. The Mission is planning to replace 14 per cent of desktop computers, 17 per cent of laptop computers and 9.6 per cent of printers, as compared with the standard 25 per cent.
In view of the downsizing of staff and civilian police, the Advisory Committee sees no justification for procuring such a large number of replacement vehicles (para. 46).	UNMIK reconsidered the proposed replacement of 240 light vehicles and instead will procure 40 armoured vehicles during 2003/04 to provide security protection for international judges, prosecutors and VIP personnel.
The Advisory Committee requests more effective monitoring of the use of helicopters (para. 50).	The utilization of helicopters is carefully monitored by the UNMIK air operations service. Each flight is approved and a cost comparison with other means of transportation performed.

Request/recommendation (see A/57/772/Add.5)	*Action taken to implement request/recommendation*
The Advisory Committee believes that bank charges, which represent considerable resources, should be carefully monitored and that whenever possible agreement should be made with banking authorities to lower such charges; furthermore, the Committee believes that the decrease in the level of operations (e.g., volume of payment transactions for salaries and allowances) should lead to lower costs for bank services (para. 53).	The cost of bank services has decreased as a result of memorandums of understanding signed with local banks.
The Advisory Committee reiterates its view that there is a need for better planning for training of personnel and that the subjects covered in the training programmes should be tailored towards fulfilling the mandate of the Mission (para. 58).	UNMIK training requirements are specifically designed and formulated in cooperation with section chiefs and supervisors of trainees to meet the actual training needs of the Mission. A cross-training practice has been introduced to facilitate the replacement of staff on leave or on assignment to other missions.
The Advisory Committee points out that for missions that are downsizing, such as UNMIK, it might be necessary and advisable to temporarily strengthen internal resident auditing capacity rather than to reduce it (para. 63).	The Office of the Resident Auditor within the Mission has been strengthened.

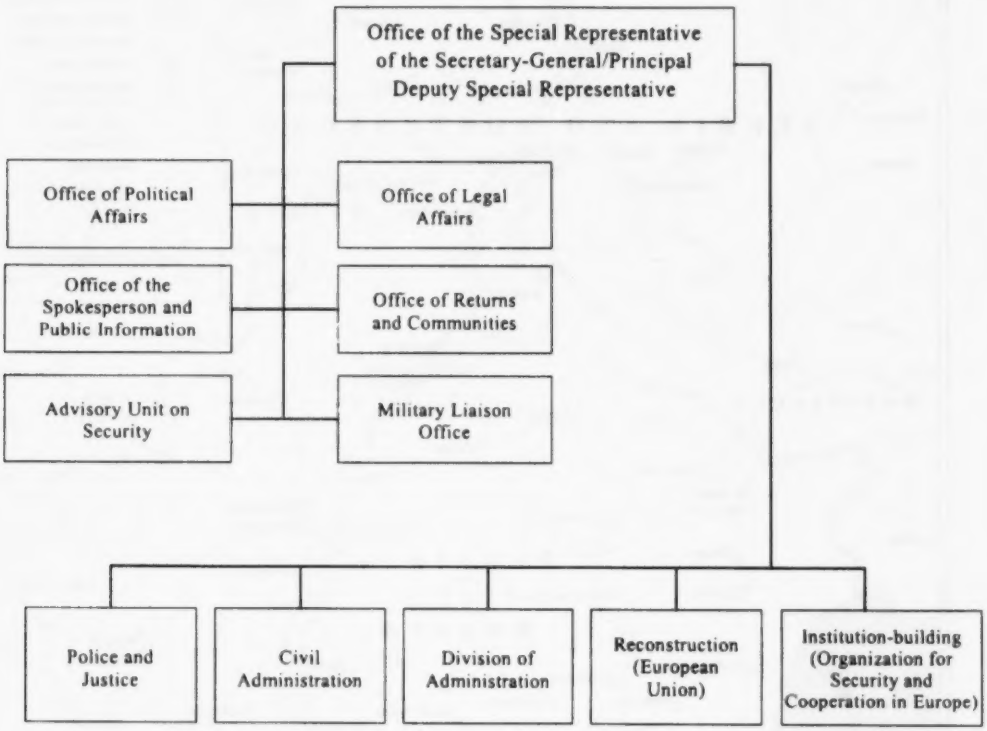
B. Board of Auditors

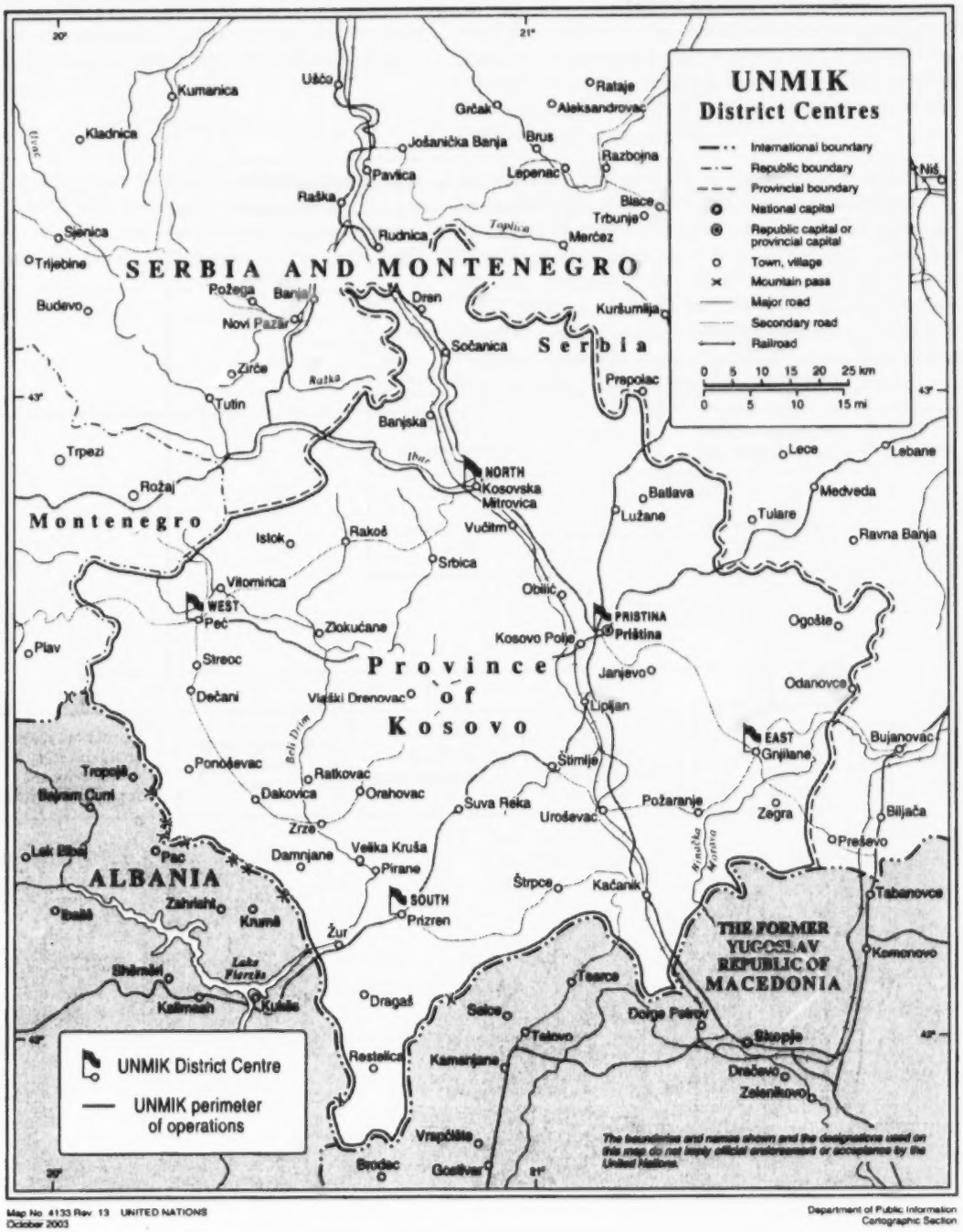
Request/recommendation (see A/57/5, vol. II, chap. II)	*Action taken to implement request/recommendation*
The Board recommended that the Administration ensure that missions identify and deal with differences between property records and actual holdings on a timely basis in accordance with the Financial Regulations and Rules, and investigate and remedy the factors causing delays in the write-off process (para. 34).	UNMIK plans to continue close monitoring of the write-off process. Indicator of achievement 3.1.2 refers to plans of the Mission in this regard.
The Board recommends that the Administration ensure that all missions complete liability waiver forms as envisaged in the Air Operations Manual (para. 85).	Passengers are not allowed to board without approval of an air mission request, completion of waiver form and ultimate authorization of the Division of Administration.
The Board recommends that the Administration ensure that all peacekeeping missions submit procurement plans to the Supply Section in a timely manner so as to expedite the complete development of an overall procurement plan (para. 126).	The UNMIK procurement plan will be finalized and forwarded to the Procurement Division at Headquarters.

Request/recommendation (see A/57/5, vol. II, chap. II)	*Action taken to implement request/recommendation*
The Board recommends that the Administration take the necessary steps to close the 1999 winterization projects (para. 164).	The final report on the winterization project and certified financial statements have been received from the United Nations Office for Project Services. UNMIK will now be able to complete the final project report and close the 1999 winterization project.
The Board recommends that the Administration ensure that UNMIK continues to enhance the coherence of its justice strategy and maximize the lessons learned from international judges (para. 190).	The UNMIK Department of Justice is now being assisted by consultants who are formulating a comprehensive transition strategy and developing a detailed plan for the transfer of responsibilities. The plan is in its final draft, and it is anticipated that it will come into effect early in 2004. At the same time, selected local prosecutors will begin to work together with international prosecutors in handling sensitive cases. The local judges have already been working with international judges on mixed panels.

Annex

Organization chart


Office of the Special Representative of the Secretary-General/Principal Deputy Special Representative
Office of Political Affairs
Office of Legal Affairs
Office of the Spokesperson and Public Information
Office of Returns and Communities
Advisory Unit on Security
Military Liaison Office
Police and Justice
Civil Administration
Division of Administration
Reconstruction (European Union)
Institution-building (Organization for Security and Cooperation in Europe)



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